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## Real Estate Investing Podcast Episode # 77

### The Virtues of Co-Wholesaling & How it Can Set You Free

*Hosted by: Joe McCall & Alex Jounblood*

*Featuring Special Guest: Justin Wilmot*

- Joe:** Welcome. This is the Real Estate Investing Mastery Podcast. Hey, everybody. Joe McCall with Alex Jounblood. We are here. We're the Real Estate Investing Mastery Podcast guys. We're glad you're here. Alex, how are you doing?
- Alex:** I'm doing awesome, man. How about yourself?
- Joe:** Really, really, really awesome. I'm doing more awesome than you I bet.
- Alex:** Well, it sounds like you are.
- Joe:** Because I just got back a couple of three or four days ago from an epic trip. Epic.
- Alex:** It sounded epic.
- Joe:** Epic.
- Alex:** Epic.
- Joe:** I mean I'm just looking at a map and seeing where we went. It's insane. I can't believe we did it. I can't believe we survived. We were gone for two and a half months about 10 weeks. We left St. Louis middle of June. We have a big RV camper trailer thing. It's just really as big as you can buy. If it's any longer that'd be illegal. We hauled that thing to Mount Rushmore then Yellowstone, Glacier National ... I mean Grand Tetons, Yellowstone. We went to Glacier National Park. We drove through. Then to Seattle we saw Mount Rainier Olympic National Park.

We went to Vancouver, British Columbia. We took an Alaskan Cruise for a week. We came back down the Oregon which is amazing, beautiful. We went down to the National Redwood Forest in



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Northern California area. We stayed in San Francisco. We went to Napa Valley, just a week before that big earthquake that was there recently. Went to Yosemite, went to Lake Tahoe then drove back east through Colorado State at Rocky Mountain National Parks.

All in all, we went to about 10 or 11 big huge national parks, had a blast with four kids, a wife, four kids and a dog and ...

**Alex:** Your little dog, too?

**Joe:** Well, she's a big dog. Yeah. She's a *goldendoodle*. Please don't laugh. I'm a little embarrassed.

**Alex:** It's a poodle mix of sorts?

**Joe:** It's a goldendoodle. It's a mix between a golden retriever and a poodle.

**Alex:** Wow.

**Joe:** She ...

**Alex:** Do you keep her in your little arm bag? You walk around?

**Joe:** Yes. I'm still a man. I know.

**Alex:** Don't mind me and my poodle.

**Joe:** We had so much fun, man. Our trailer has bunk beds. Two bunk beds on the backseat for kids. It's *glamping*. It's really what it is. We were roughing it. We had our Keurig coffeemaker with us every morning. We could make our coffee. We had air-conditioning when we needed it. We had hot water and showers. Our camper even has an outdoor kitchen. I'll tell you what, man. We rented a satellite dish TV program thing, but the whole time we were gone, we maybe only watched TV three times.

It's just so much fun. There are so many more things to do. Hang out with the campfire and watch the stars. I could talk for an hour, two hours on it. It was amazing. I put some pictures on Facebook. We have a ton more to do, but we still flipped six properties.



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**Alex:** Nice.

**Joe:** We flipped three that have already closed while I was gone. We have about two or three more that are set to close with a buyer in the next couple of weeks. Depending on how you look at that, yeah, man, we still made money. I still work. It's kind of a "working vacation" but the cellphone coverage and the internet coverage is just really, really spotty wherever we were.

If I was lucky enough to have cellphone coverage that was fast enough, I tried to get some work done. I have a great team here in St. Louis and my virtual assistants in the Philippines that just run everything without me. I spent a lot of time on the public payphones. Remember those things called payphones and those things called prepaid calling cards?

**Alex:** Yeah.

**Joe:** I had to use those all the time because I didn't have cellphone coverage. When I had meetings or conference calls, I'm usually at a payphone somewhere at some part. We had a blast. Glad to back. We can't wait to leave again. We're going to probably go to Europe in Prague next year, probably the spring or summer of 2015, we're going to go to Prague for a couple - three months. We talked about maybe nine months. As you know, we've done that before. We still flip deals. That's what I'm so passionate and excited about in this business because ...

We're going to talk about that today with Justin. Justin and Alex, you both figured this out I'm sure that even if you're doing deals in your own market, you're pretty much virtually wholesaling deals right in your own market. I asked myself, if I can wholesale a property here without ever seeing it, without ever talking to the seller, without talking to the buyer, why can't I do it from anywhere in the world, Timbuktu, all I need is a laptop. I don't even know if I need a cellphone anymore, right? I can use my laptop to make calls.

I really get passionate about this because I love telling people, "Look, design a vision for your life first, and then design a business around that." So many of us design our business first and then try to ... Well, we just let business dictate what we're supposed to do and then design our life around that, try to fit our life around our business or our job. It shouldn't be that way.

Real estate gives you the freedom to design the lifestyle that you want to have. Maybe you don't want to home-school your kids like we do. Maybe you don't care about traveling all over



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the world, that's fine, but you want to take Wednesdays off. You want to take Friday afternoons off. You want to go surfing in Florida for some reason like Justin, right?

Why not design what's important for you in your life first and then design a business around that that fits that lifestyle because, man, I don't want to wait till I'm 65 years old before I get to travel in my RV or take a couple of cruises. We've taken two cruises in the last year. I don't want to wait till I'm 65, 70 years old before I can do that. Why not now?

Anyway, I'm pumped and excited about this.

**Alex:** I agree a hundred percent, man. This summer I took a little bit more of family time than I would during the week as opposed to waiting for the weekend kind of thing. It might have been because of watching what you were doing. I was like, "Hah, that's pretty nice. You can leave for two months or whatever it is and feel okay and not feel guilty about it because it sometimes what can happen."

I took a couple of days out of each week and we would go to the beach or we'd go to amusement park or Busch Gardens over here. We'd go to the pool that's over here at the Y and just spent a lot of good quality time with the kids.

**Joe:** Awesome.

**Alex:** That was all possible because I've got my system set up where leads are coming in, leads are being sorted, and construction projects and all those things are pretty much an autopilot with the team that I have in place, so it works out well.

People in the business, if you want to be able to do that, you need to be able to automate and put those systems in place in order to do that or else your business will run you ragged if you let it.

**Joe:** I talk a lot about it, and we'll talk to Justin. We'll get to you Justin in a minute. We normally we do this on our podcast. We annoy our guests to no end and when they're finally ...

**Justin:** Trust me. I'm stoked on what you guys are talking about, preaching the choir here on all pretty congruent mission statements here.



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**Alex:** Let's get to our guest here.

**Joe:** Okay. That sounds good. I did want to say one thing. It's all about the three keys of success. I harp on this a lot. Marketing, automation and delegation. We're not in the real estate business, we're in the marketing business, right. Unless you have the systems set up and the people to delegate those systems, too. You just get another job. You're going to run yourself ragged. You're not going to have the freedom that you've always wanted to have.

Speaking of that, we have Justin Wilmot on the line with us. This is a guy who understands virtual wholesaling. He only works about 10 hours a week. There's no hype in that. We don't allow hype on this podcast. Some of you may not believe us but it's true. We only interview people that we know that have been vetted that we know are the real deal, that are really doing deals.

Justin is a great guy. He's a real deal. He's only working about 10 hours a week, wholesaling deals in his markets. The rest of the time he is surfing. He's surfing in beautiful Florida and I wish I was a surfer, but there's no waves in St. Louis. Justin, how are you, man?

**Justin:** I'm doing awesome, man. Thanks for having me here. I'm stoked to be here for sure.

**Joe:** You're doing deals in several different markets. Is that right or you just focus on Florida?

**Justin:** No. We're all over the place. I mean mainly southeast United States but we do a lot of Florida like Orlando, Miami, Jacksonville but we got pipelines, what I call pipelines set up in Atlanta and Denver and Tulsa, Baltimore, I mean all over the place, Grand Rapids, Michigan.

**Joe:** Let me ask you honestly. When you say you're the 10-hour wholesaler does that mean 10 hours in your Florida market and then 10 hours in your other markets and 10 hours in ... You know what I mean? Or like how many hours a week are you working doing deals?

**Justin:** Honestly, lately, like a lot less than 10 hours.

**Joe:** Okay.

**Justin:** Yeah. I just give my operations manager everything. We outsource a couple of mundane tasks that we do in order to build, again, what I call our pipelines to just a few virtual assistants we



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work with on oDesk. That gives my operations manager all the time he needs to be on the phone with other wholesalers and cash buyers.

**Joe:** Nice.

**Justin:** My job for the most part is just talking to title agencies and closing companies, title attorneys. When problems arises, he calls me, but for the most part, that's not it. I mean I've been doing a lot of this and building other stuff and doing some education stuff, teaching people what I do, so more of my time lately has been in that other than real estate.

**Joe:** Do you have an operations manager in each different market or do you have one that kinda handles them all?

**Justin:** No. Just right here in my office in Flagler Beach. I got a beautiful office right on the beach here and ocean views. Well, his office doesn't have ocean view but ... No, it's just one operations manager. He stays right here. No matter where we go the system is the same. The script is the same. What we do is the same.

**Joe:** You have a little technique that you've perfected and you call it co-wholesaling. Is that right?

**Justin:** Yes, sir.

**Joe:** Is that a good term to call it?

**Justin:** Absolutely. Yeah.

**Joe:** What do you mean by co-wholesaling? How do you define that?

**Justin:** What I focus on 85% of my business is bringing buyers in to other wholesaler's properties. I always look at a transaction where we can enter. How can we add value to another wholesaler? Well, we help them sell their house that they can't get rid of. How do we add value to a buyer in that market? That's to get them a property that they're not aware of.

We do a couple of little ninja techniques to help make those pipelines happen. Our goal is to get a newer what I call a mom and pop investor met up with a wholesaler and see their inventory and ultimately purchase their stuff. We have a couple of things in place where we don't get



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circumvented so life works good that way. It's like we're matchmakers. Have you ever seen the millionaire matchmaker on TV or ETV or whatever heck it's called?

**Joe:** I don't watch those shows.

**Justin:** Okay. Good, good. My wife does. I'm just going to blame my wife around that.

**Joe:** Yeah. Okay. I got you. I won't tell anybody.

**Justin:** All right. She takes millionaires and they come to her and then she rents out a venue and gets a bunch of chicks to come and they hang out and have a cocktail little party. She's in the middle. She facilitates the venue. She has the system around getting specific people which happen to be male millionaires and gets a bunch of chicks that have the criteria of what they supposedly want in a man. She puts them into venue and puts them together. We do the same thing. We're just marketing on each side and consulting and bring them together.

**Joe:** Nice. Nice.

**Justin:** Yeah.

**Joe:** Okay. Are you doing any of the traditional marketing where you're marketing for deals then? Are you sending the postcards or talking to sellers?

**Justin:** No. We stopped all of that. I mean I still do fix and flip stuff. I'm making a lot of offers locally and throughout central Florida still. We do a lot of REOs still, but when it comes to our co-wholesaling, we don't do any seller marketing whatsoever. Our sellers are other wholesalers, other wholesalers that already have properties under contracts.

**Joe:** Okay. Now, I'm writing the stuff down. Can I ask you some hard questions? Is that okay?

**Justin:** That's what I'm here for.

**Joe:** All right. What do you say to people who complain about guys, the co-wholesalers who ... You've seen the deals where one guy's advertising it for 30 and then the next guy is advertising it for 35 and the next guy is advertising it for 40 and you're just like, "Well, what's going on here?" How do you talk a little bit about like ...



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- Justin:** That's the question. I mean anybody that's been in this business ...
- Alex:** That's called the circle of crop, Joe.
- Justin:** Yeah.
- Joe:** That's right.
- Justin:** Or a daisy chain.
- Joe:** Daisy chain. There you go, man. It's frustrating sometimes for buyers like me or other wholesalers like me when we see that kind of stuff happening.
- Justin:** It is the question because I'm on all ends, right? I mean people find me and they find me as a local investor and I get people like newer wholesalers that come in to the market, they ask a couple of questions and then they'll send you some inventory, it happens to be a friend of a friend of a friend's, right?
- Joe:** Yeah.
- Justin:** How I avoid all that stuff is: One, I only work direct with other wholesalers. It's their inventory that they have under contract. On the other hand, it's just our cash buyers and we don't deal with daisy chains whatsoever. We're always just trying to create value by bringing a new buyer to the market to help that wholesaler unload that property.
- Joe:** Okay.
- Justin:** Does that make sense?
- Joe:** Yeah. Is the other wholesaler still advertising the property on his own?
- Justin:** Oh, yeah.
- Joe:** Are you advertising it for a higher price? How do you have that worked up?



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**Justin:** Oh, yeah. Absolutely. What I do is we never ever, ever ... We have a couple of buyers that are ... We have a couple of national buyers. We work on a couple of hedge funds. They're smaller private hedge funds. When I say smaller, I mean they bought over 200 properties this year.

Those guys they'll pay us a finder's fee when we bring them deals and the wholesalers obviously love that because now there's nothing coming out at their end of the deal. When we approach other wholesalers, we tell them right from the beginning, "Look, we have buyers in this area. If you're interested in doing any JV deals, we'd love to work with you." Now, we know that JV means split, right?

**Joe:** Mm-hmm (affirmative).

**Justin:** We always try to enter each transaction and let them know that we're not going to mark up this property, whatsoever. Whatever the asking price is, is how I'm going to present this property to my buyers list.

**Joe:** Okay.

**Justin:** If my buyer buys, we're splitting the profit. If you don't like that, that's perfectly fine. If you want to negotiate, then cool. Let's negotiate. A lot of times that happens which is great. If people these days since there are so many buyers in the area, if it doesn't work for a wholesaler, if a fellow wholesaler is just like, "No, this property is so hot. I don't need to do that", that's fine. We're not wanting to work with him because we're not going to add value and help that guy.

What's cool about what we do is that doesn't matter because the entire country is our oyster. You can literally put a blindfold on and put your finger in a map and say, "I want to enter this market." Now, of course, after you do some research if you see there's inventory moving over there then it's viable but ... You see what I'm saying?

**Joe:** Yeah.

**Justin:** It's kind of like more of a quantity business model.

**Joe:** Okay. Just to rewind a little bit, you're not necessarily looking for deals. You're looking for wholesalers who have inventory.



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**Justin:** That's it.

**Joe:** Right. Then you already have a buyer's list.

**Justin:** Yes.

**Joe:** What comes first ...

**Justin:** Actually, Joe, I don't actually create a buyer's list or I don't spend much time, money and effort creating a buyer's list and so I already have for us, our status is three. When I have three wholesalers in a market that say, "Yes, Justin, you guys can promote our properties to your buyers" then we start building our cash buyer pipelines.

**Joe:** Okay. Let's talk about two things. One thing next is how do you find ... Three things actually I'm thinking about. How do you pick a good market then how do you find the wholesalers and how do you find the buyer? First of all, what makes a good market? Can you go into New York? Can you go into LA and do deals? How do you select the market?

**Justin:** That's a great question, too. New York, New York, definitely not. LA, definitely not. One of the things that I do and I also teach is that we try to stay in areas where you're at the blue collar median family, your standard three bedroom, two baths popular area of neighborhoods in conjunction with good rental areas. We try to stay under the \$200,000 or \$300,000 price range. The reason being is because 300,000 and up, it's just a different ballgame, right?

**Joe:** Yeah.

**Justin:** I mean it just doesn't work with the quantity of wholesalers. We stay in markets that are just moving. Now, there's areas like Phoenix that are just too much. Dallas, too many buyers. We're not going to bring any value to wholesalers in areas like Dallas and Phoenix and Maricopa County, all Maricopa because there's such a large amount of buyers there.

We don't go where life is going to be hard. I try to go where life is going to be easy. Where is life easy? Well, markets like New Orleans, that still have an amazing amount of properties that are coming available all the time with some very niche buyers that are buying very strategically and intelligently over there. Rehabilitating, making turnkey properties and renting them out. We try



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to go in areas where that stuff is happening. A regular metropolitan area like Orlando still works phenomenal.

**Joe:** Really?

**Justin:** Yeah. We just try to stay out of those really high priced places like New York and LA, and stuff.

**Joe:** Okay. A good market would be an area ... By the way, Alex, I hope I'm hugging this call. Please ...

**Alex:** Sure. No. No. I'm listening.

**Joe:** Okay.

**Alex:** I mean when he talks about finding an area, do you mean by competition? Would that just be the simple word? If it's a very competitive market, it's something you stay out of?

**Justin:** No. I'm glad you asked that because this is a better way to define that. If the market is extremely boiling up, would you agree that Maricopa is very hot right now?

**Joe:** Yes.

**Alex:** Maybe a little.

**Justin:** Okay. All right. For us, we've found that there's so many buyers there that it's been difficult to continue the pipelines there. Too many buyers, right? So, we go where there's value. That's almost in every other county in the country. Things like Memphis, Tennessee and Denver and Tulsa, those are areas where you can create your own value in that marketplace.

**Joe:** Okay. You're looking for areas that aren't crazy hot where there's buyers just tripping over each other to find a property, but there's a lot of deals and there's an opportunity to bring some buyers who aren't aware of those areas, who are having a hard time finding deals.

**Justin:** Exactly.



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**Joe:** Okay. You've got a good market and you're in the median price range or below. Are you doing deals like the typical landlords would want in the 30,000 to \$50,000 range or lower? Or do you stay away from those areas as well?

**Justin:** No. We definitely don't stay away from there because what we love is when we meet up with what I call good old boys. Think of like Tennessee and Florida. There's a lot of guys out there that just buy an insane amount of really cheap stuff in rental areas. They don't even use a computer. They got a straw coming out of their mouth, which is cool. It's awesome, right?

**Joe:** Yeah.

**Justin:** They're just good old boys and we actually target them. The reason being is they don't know what ... Most of them don't even know what a wholesaler is. They don't go in the computer. They don't buy in the computer. Where do these guys go? They're in their overalls. They go to the auction. They go to the courthouse.

The easiest way for us to find them is online. We look at public records, find out who they are and we try to bring other wholesaler's deals to them. That's where we've made a lot magic, too. Again, that's that whole model of bringing a buyer ... It's giving value to somebody that has no idea about a certain source of properties which is wholesalers properties and we just connect it to them.

**Joe:** All right. So ...

**Justin:** Over and over again.

**Joe:** You find a good market then you're going to find the wholesalers to work with, right? The guys that are getting a bunch of deals. Can you talk a little bit about how you find them?

**Justin:** Absolutely. There's a few things that we do like we post some ads on Craig's list saying something of ... Let them know that we're a local investment company looking for deeply discounted properties. We'll post that in certain properties for sale that obviously grabs attention. One of the easiest things to do is use social media.

LinkedIn is probably one of the easiest things to use to find fellow wholesalers. You simply identify a market which is most major metropolitan counties and then the surrounding cities



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around that that thrive off of that. We identify it and then we simply just go to LinkedIn. There's a little advanced search under LinkedIn. You just go to advance and you type in real estate wholesaler. Then you type in the zip code of that market.

**Joe:** Interesting.

**Justin:** Then boom, you get a list of pages of wholesalers. What do we do? We just cold call them and let them know, "Hey, we got buyers in the area and if you're interested doing a JV deal, we'd love to promote your properties to them." Most people say yes.

**Joe:** Okay. You say if you're interested doing any JV deals.

**Justin:** Mm-hmm (affirmative).

**Joe:** Break down the JV deal part of it because a lot of questions come up, Justin, about licensing, getting a realtor's license or brokering. Are you brokering? How do you cover yourself with those issues?

**Justin:** I set up a separate LSC that's simply a consulting business, a real estate marketing consulting business and we act ... As soon as we ask that, we send them over a contract that's a consulting contract that I have my attorney create. That's how we get around it. Every state has their own laws and people should definitely check in to it and use their own attorney to find that out. We just don't represent anybody. Most of the times, we don't negotiate any prices. We just connect the two.

We of course have a non-circumvent in there so a lot ... When I say connected people go, "How did they just not go around you from there on out?" First off, you got to try to build relationship and that's why I keep saying the word value. If you're building good value between everybody, they're not going to go around you.

As you know, wholesalers when you're at the top of your wholesaling game, there's not a lot of room to be shady. It doesn't take much. If you go around somebody one time, it can really hurt your reputation. I have never really had too many problems with wholesalers going around us. It's the buyers that you have to worry about.



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You typically just do a non-circumvent. It's built into our contract, our consulting contract and we just do a non-circumvent. As long as we make life easier for them, they don't really try to get around us either. We get around, just to finish that, we get around that brokerage idea because we're not representing or negotiating anything. We're like a marketing company, the exact same thing in advertising because we're just taking a cash buyer and introducing them to a source of properties.

**Joe:** Okay.

**Justin:** Once we get an okay and a marketing agreement signed, we'll actually provide the contact information for our buyer and stay involved in the deal. Our marketing agreement goes directly to the closing attorney and that's how we make sure we get on the HUD. We haven't had many people go around us after that.

**Joe:** Your marketing agreement goes on the HUD. Explain that a little bit. Do you enter into a JV agreement on each deal with that wholesaler?

**Justin:** Well, in Florida for example it's extremely lax so no. We actually get put on the HUD as a payout, just as a payout fee.

**Joe:** Okay. Do you typically split the profit 50-50 with the wholesaler or do you agree on a certain price then...?

**Justin:** We only shoot for that. I only shoot for 50-50. That's why I used the terminology from the get-go, "If you're opening to do any JV deals, I'd love to work with you." Right there you're trying to drop the hint that you want to do a 50-50 split. If the wholesaler doesn't think that it's worth giving you 50% of the profits, then of course you can negotiate. I mean we do, right?

There's a lot of times where people are super stoked. They have a property that's been sitting around. They're close to the expiration date. They're out of their inspection period, so they're very motivated and there you go, 50%.

**Joe:** Okay. If you don't mind me asking, what's the typical profit on one of these deals?

**Justin:** Most people seemed to try to shoot for a \$10,000 wholesale spread so if you do a 50-50 profit split, that's 5,000 bucks.



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**Joe:** Okay.

**Justin:** It averages between 2,000 to 15,000. I think our highest co-wholesale fee has been 25,000 and lowest has been \$500. We never walk away from money.

**Alex:** If you don't have any marketing cost, well then that's not a big deal.

**Justin:** No, it's not. It's not.

**Joe:** You made hundreds of dollars on that bill.

**Justin:** Hundreds of dollars. I'll tell you what? It's time we spent on it, not much; minutes. If you look at everything per hour, I mean if you made \$2,000, right? With the way we have the system set up it's just rinse and repeat. We copy and we paste. We usually get response and we copy the emails that we're getting from the wholesalers, edit it, put it out to our list in that market and whenever you have somebody, "Hey, man, I like that one in 123 Elm Street" okay, great, we go back to the wholesaler. If it starts getting hot, we have them sign a new consulting agreement. There's new one for every property.

We have them sign a new marketing and consulting agreement for the whatever the cut is be and then we let them hash it out and then we just make sure we're on the HUD. You probably won't believe but we literally have sometimes 20, 30 minutes into a deal and we made 2,000 bucks, 3,000 bucks.

**Joe:** I believe.

**Justin:** It's a quantity thing.

**Joe:** You don't have to be there in that city.

**Justin:** Have to be where?

**Joe:** You don't have to be there in that city. You do this all virtually, all online with a phone.

**Justin:** No. No. I did pick three or four when I was in the Bahamas just a couple of weeks ago. As long as you have a good operations manager and you stay involved where you need to be as the owner,



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it goes well. You could be anywhere. I got a guy in Asia closing my deal tomorrow in Maryland and he lives in China.

**Joe:** Wow.

**Justin:** Not only does he live in China, but obviously it's on exact opposite clock, 12 hours. He actually set up his system where he outsourced ... He would send out a direct mail campaign for cash buyers and then he would have those calls go to a VA at PATLive.com. When he got that information like the guy's emails address, he would just send them off and next thing you know he said I want the deal made. The connection happened and he's getting 4,500 bucks or something.

**Joe:** Nice. Nice. Okay. All right. How many ...

**Justin:** You can do it from Prague, which you have.

**Joe:** Of course. Tell me how many deals do you guys do on average in each market. Let's say you're established in a market and I know it's seasonal maybe but how many deals do you do on average a month?

**Justin:** A really bad month would be four deals and a really good month would be ... I think on February we did 14 deals. I mean anywhere from four to 14 deals. That seems like a huge gap, but you got to keep in mind it's all about how you operate, right? I mean, me, I'm a lifestyle guy. I'm always going around. I'm always moving. I spend a lot of time in Central America. Although I have systems set up, I'm still the captain of the ship, right? I point the wand.

**Joe:** Is that per market or is that total for you in your business.

**Justin:** Oh, it's the total I get.

**Joe:** Okay. All right. Now, you find the wholesalers just by ... I mean I love your LinkedIn idea. You put some ads in Craigslist. It's easy to find those wholesalers. In fact, I'm going to bet probably only two out of every 10 that you talked to are really serious and really actually doing deals. Is that about right?

**Justin:** Oh, yeah. It's that. Yeah.



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**Joe:** Those of you listening, you should go back to an episode when we interviewed a guy named Jake. Remember that guy, Alex? Jake from California.

**Alex:** Was it Jake Duvall?

**Joe:** Duvall. Yes. Sorry, Jake, I didn't remember your last name. Really, really good. He's got a funny story where he was wholesaling ... He was doing a ton of marketing from San Jose, I believe it was, Southern San Francisco Bay Area and doing a lot of marketing and not getting much result. It's a tough market. It's an expensive market. It's probably a market I want to bet that you avoid, Justin.

**Justin:** Yeah.

**Joe:** His fiancée or girlfriend moved. She got a job transfer. She moved to Fresno, California, I think. She's in the Desert Valley and house prices are about half there than what they are in San Francisco Bay Area. Anyway, he was visiting her one time and he saw a bunch of bandit signs on the side of the road.

I hope I get the story right. He saw a bunch of bandit signs. He called those wholesalers and about one out of every 10 were serious actually doing deals and said, "Hey, are you doing a lot of deals out here?" "Yeah." He said, "Well, why don't I just do the same marketing that I'm doing in San Jose. I'll do that marketing in Fresno. I'll prescreen the leads. You take all of the potential leads. You meet with them in person, get it under contract and sell it to your buyers and split the cost."

The wholesaler said, "Yeah. Sure. That's great." He started doing that. He eventually quit his job because he was doing so well with it. He moved to Fresno to be closer with his girlfriend. Even while he's living there, he's still doing the same thing. My point is there's different ways to skin the cat, right?

**Justin:** Yeah.

**Joe:** I love the strategy finding the wholesalers first. You're going to have to work a little bit for it.

Now, to find the buyers, can you talk a little bit about that? Do you do direct mail campaigns to find buyers or do you try to find the buyers after you get a good deal?



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**Justin:** Oh, yeah. Yeah, yeah. Like I said, we always get three yes. We literally pick a market, a market that's moving. How do we pick one? We use the LinkedIn method that I use to see if there's wholesalers there. If there's wholesalers, there's inventory. That's it. We got inventory. Once we have three yeses from three wholesalers, they get consistent inventory then we start building our cash buyer pipeline.

**Joe:** Okay.

**Justin:** To build the pipeline, we do a couple of easy things. We send out a cash buyer letter. You can use anything like FreedomSoft, but we pull a list of cash buyers in that market. We narrow down the list to make more effective. We send it out in invitation style like you do the yellow letter with red handwritten and a live stamp.

**Joe:** Nice.

**Justin:** We do that same thing but we stuff our cash buyer letter in there. We do that. That works really well. We also do Craigslist ads so I do two things. We'll put like a phantom ad up for a property or maybe a property in the area that's recently sold and we have permission to put up there. We'll do ad in that market to draw some attention plus I do what I call an appliance ad and I do an appliance ad because ... Some people don't like doing it, but look, you're serving a purpose here.

The appliance ad is kind of ninja. From a lot of fix and flips I've done locally, when you buy a house and if the kitchen is old and dated, what's the first thing you do, you got it but you just throw away the appliances.

**Joe:** Yeah.

**Justin:** You do? Well, then maybe I'm cheap.

**Joe:** Maybe I shouldn't.

**Justin:** We post them on Craigslist all the time.

**Joe:** Okay.



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**Justin:** What I am noticing was that more than half of the guys that came to pick up, almost 80% of the guys who came to pick up their appliances, this cheap, older, crappy appliances, they're all landlords stuffing them into their rental properties. I was like, "Well, wait a minute. Appliance ads seem to drum up a lot of landlords."

**Joe:** Interesting.

**Justin:** Yes. When we go in the market we post an appliance ad and we let them know, "You know what? Look, these are not available" whatever you might want to do. Look, some people don't like doing this, but for us we're serving a purpose. We're going to eventually make this guy money.

They call and the ad will say something like "Full appliance package, all white, perfect for a landlord or perfect for a rental property." Once they ask about it, "No, no, no. It's sold. What we're you looking to do with them?" If they say anything, that's all we do is one sentence. We don't spend much time on this. If they say, well, he's going to put them on a rental, we have a couple of questions we ask.

If they say, "We're going to put it in a rental," we say, "Well, guess what? We actually are a local wholesaler and we're going to have some inventory in this market" whatever that market might be. "If you like to know about anymore, we'd love to get your email address."

**Joe:** Nice.

**Justin:** There you go. You got yourself a really good landlord. What's cool about that is like, I was talking about the guys in overalls with a straw and don't even know what a wholesaler is. A lot of times we've been noticing that they'll have cousins and friends and whatever or wives or friends from the bar. We search on Craigslist for them for appliances. We met a lot of those guys through that venue.

**Joe:** I see a lot of signs in St. Louis for people selling mattresses. Has anybody ...

**Justin:** I see it all the time, too.

**Alex:** I can't even imagine what that would lead to.



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- Justin:** That's so funny you said that because I always wonder what the heck those are.
- Joe:** It's not just my market. You see these bandit signs selling mattresses, too?
- Alex:** Yeah.
- Justin:** Yeah. I see them in St. Augustine. St. Augustine, Florida, one of the most historical cities in the country.
- Joe:** Who's teaching that stuff? What are they selling? Is it a furniture store?
- Justin:** I don't know if it really is mattresses. I don't know.
- Alex:** If a landlord is behind appliances, who's behind mattresses?
- Joe:** I don't want to know. I tell you what. I will call the next one I see and ask them.
- Justin:** You should. Our third way to get the cash buyers is really direct and simple but it can be time intensive which is again why I recommend that as a business owner, you should never be doing this stuff, you should never be building your own pipelines.
- Joe:** Okay.
- Justin:** It's just reverse lookups. Whatever the property is, say we received a good property from a wholesaler, and we just enter that market and we just want to get a handful of brand new buyers real quick that we know are the real deal.
- We just do a reverse lookup using the MLS or Zillow, Everybody can use Zillow. It is copy and paste the property address, put it in the Zillow, go down to the map and look at the cheapest surrounding solds and then we just cross reference. Then now Zillow has the link, we can go right to the county assessor's office and then we just look and see if it's an investor. If it's an investor, we copy paste, throw them in the white pages or Google or whatever. We have Intelius and we cold-call them and say, "Look, I see that you just bought a property over here on Main Street and we have one on the corner on Elm Street. Here's the address. If you want to enter ...
- "That's how we make it happen.



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**Joe:** You know I got to give credit where credit is due. One of the best tips of advice I've ever received was from a guy we interviewed. Remember Pete Skouras from FreedomSoft fame?

**Justin:** Yeah. For sure.

**Joe:** I'm not sure what he's doing now anyway but I think he's in your neck of the woods.

**Justin:** Yeah, he's in Tampa.

**Joe:** One of things that they do to find buyers and I've used this a hundred thousand times since he said it and it works brilliantly every time is once you get a property under contract, you just go in the county records and pull up all of the absentee owners that bought a house in that zip code or in that area in the last six months and you send them this desperate, motivated seller yellow letter.

I'm just paraphrasing it but it says, "Hey, Jim. We have a house we've been trying to sell at 123 Main Street. We've had it listed with a realtor for some time. The taxes are paid, title is clear. I need this thing sold today. We're desperate. Please drive by and call me. I need a cash offer right now." We underline it. It sounds like you're a really desperate, motivated seller. Then what he does is he crumples, and I do this, crumples the letter up and then refolds it, puts it in an envelope. I'm not kidding. We get 20 to 30% response rate with those letters.

**Justin:** That's crazy.

**Joe:** Twenty to 30% will call us. The cool thing is this. Let's say they're not even interested in the house, but you've got a new buyer that you can add to your list. You ask them, "What else are you looking for?" If the price is too high, they'll tell you what they will pay for. Sometimes you have to pull it out of them like teeth. They'll tell you what they would for and you could go back maybe and renegotiate with the seller.

I've had such tremendous good success with that. It's a great way to build a buyer's list especially when you already have a property because you can contact people who just purchased recently around there.

**Justin:** Wow. That is ninja. I just wrote down my little bullets on that.



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- Joe:** Oh, it's really good. You just make it sound like a motivated seller trying to dump his property.
- Justin:** Is he still using the yellow letter? Like invitation style, red ...
- Joe:** Yeah.
- Justin:** Oh, cool.
- Joe:** Every time they get a property, they send a hundred of those out and the phone rings off the hook. He said this, too, and it's happened to me. You'll have wholesalers call him and say, "Dude, that was the best letter I've ever seen. That is so awesome. I want to steal it."
- Justin:** Oh my goodness....
- Joe:** Yeah. It's a really, really good idea. Now, when you are sending direct mail out to buyers, are you looking for buyers who just bought properties in that area recently or are you sending it to ... Memphis, Tennessee right now has a lot of buyers from out of state buying properties there. There's other markets like Indianapolis maybe or Cleveland, Ohio or Oklahoma City. There's a lot of deals that are done there for the turnkey type of investor, right? There's good companies there that are doing a lot of turnkey properties. You could find out who those people are who are buying their properties.
- Do you ever do marketing to other markets to find those buyers and tell them, "Hey, look at this market over here. You might be interested." Does that make sense?
- Justin:** It does make sense. No. I've never done that. We just have a couple of buyers that are like I said hedge funds and they buy all over the place as long as the numbers are right and the neighborhood fits their criteria. I've never really tried to niche it out like that. It's a really good idea.
- Joe:** You mentioned hedge funds. Let's talk about that a little bit if you don't mind. Have hedge funds been slowing down a little bit? Are you seeing slow down across the country? Is your business slowing down a little bit because hedge funds aren't buying as much?
- Justin:** Have I seen them slowing down? Well, first off, when I say hedge funds, the first thing you think of is like a big ass public New York stock exchange Blackstone, right?



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**Joe:** Yeah, yeah

**Justin:** That's just not how all hedge funds operate. A hedge fund, I had one for about a year in the old partnership. This can just be a group of a couple of savvy investors that get that full financing from overseas and set up a hedge fund. We've just met up with a couple of other guys. When I set mine up, I ended up running into another company because of the attorney stuff that we had to do.

We're just talking guys that are just pulling together a couple of million bucks, 10, 20, 30, 40 million dollars. Think of it as micro hedge funds. Their business model is to buy a certain criteria but they don't give a heck what part of the country it is as long as it fits this very specific criteria. That's who we've been working with. When you ask like what's been going on in the hedge fund arena and stuff, I really couldn't tell you because I just know these couple of guys that we work with and they haven't been slowing down at all.

**Joe:** Okay.

**Justin:** Actually, I think that one of them has pretty much stopped but the other guys haven't skipped a beat.

**Joe:** The cool thing about doing deals virtually is that if it does slowdown in Florida, you could do still do deals in other markets.

**Justin:** Oh yeah.

**Joe:** I'm sure you know Chris Chico.

**Justin:** Oh, yeah.

**Joe:** He's a guy that got me and Alex started. I think Alex wasn't ... Were you already doing deals by the time Chris came out with this course or did you ...?

**Alex:** I was starting to do some deals but I might have been one of the first buyers of his course when it came out.

**Justin:** Awesome.



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**Joe:** I might have been the second.

**Justin:** That's where you guys learned the whole virtual stuff.

**Joe:** Yeah. I owe him a ton of credit. In fact ...

**Alex:** Not just virtual. It comes down to just learning how to market with direct mail and such.

**Justin:** That's awesome.

**Joe:** His postcard has probably been copied, bastardized more than any other postcard in the history of postcard world.

**Justin:** That's awesome.

**Joe:** What's funny is when he came out with that there's another guru and I won't mention his name. That guru had a boot camp and he recorded the boot camp and there was a time for Q&A. I remember this so clearly. Chris remembers it, too. All of a sudden I hear this guy's voice who's asking. Chris has a distinct voice. We've interviewed him. You should check it out in our podcast before. Chris has a distinct voice and Chris starts asking these gurus that are up there, "Well, you know I want to know about some virtual wholesaling." They were like, "What is that?" Nobody has heard of that.

He was asking questions like "Can you do this in other markets?" They were like, "No way." They shut him down. It was almost embarrassing. Like "You could never do that. It doesn't make any sense. You have to meet the seller. You have to meet with them in person. You can't do deals in other cities, it's just too risky and nobody will believe you that you can do it."

I remember Chris. He just asked a few questions and he went back down. This is all on the audio tape. That really got me thinking I think. There's another guy I won't mention that's well-known, at the same time was saying "You could never do this." We'll, see. It stand the test of time. It's probably been eight years since all of that ... No, no, no. That was in 2007, 2008 I think, so it's been ... What is it? Six, seven years.



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The reason I brought that up was this. Back in 2006, 2007 Florida was a super-hot market, right? I mean you couldn't walk down the street and you'd trip over bandit signs or there are wholesalers everywhere, right?

**Justin:** Yeah.

**Joe:** Everybody was making money hand over fist and all of a sudden the market just completely stopped and there were still parts of the country where you could do deals. I remember so clearly she'd go talking about that and finding where those markets are and started doing marketing in those cities. I think that's true even when the market has been bouncing back now since. There's pockets around the country where you can actually still wholesale a lot of deals easier than you can in other markets. Does that make sense?

**Justin:** Oh, yeah. Oh, yeah. Even for us we don't worry about the inventory. I don't market for properties at all, but there are still areas where it's easier for the wholesaler so we try to go to those areas.

**Alex:** This business is very market specific. I think some people do lose sight of that or some people do get frustrated and then it is, it is what is. This business is market specific. Some will be easier than others.

**Justin:** Oh, yeah. We've had markets where we've just dropped. When I started doing this model a couple of years ago, I mean I've got markets, at least three of them that we just don't even do anything anymore. I don't know what happened. The buyers just stopped buying so we just stopped paying attention to that market.

**Joe:** Yeah. My point is there will always be some market around the country unless we have World War III or something. There will be always be some market around the country that will be active and will be hot. Every market is a little different and so it's important to keep an ear on the ground and stay active in online investing communities, listen to podcasts, a lot of good podcasts out there and listen to what's going on in the market because all of a sudden Memphis is still hot and that blows me away. I would think that companies like Memphis Investors already purchased every property that could be purchased out there.

**Justin:** Yeah. They're good examples of somebody that it's difficult to JV with, you know?



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**Joe:** Of course. Oh, yeah.

**Justin:** Yeah, good luck guys.

**Joe:** Cool. I want to ask you, too. Do you ever go after getting a bunch of buyers first and then contact a bunch of wholesalers and say, "Hey, listen. I've got \$3 million burning a hole in my pocket. I need deals. What do you got?" In other words, instead of going after the wholesalers first, do you ever go after the buyers first and then approach the wholesalers with that kind of a line? Does that make sense?

**Justin:** No. I truthfully don't. The only time I've ever done that is just for when one of our hedge fund guys said that he wanted properties. Actually, he's the reason why we got to New Orleans. They want to do some stuff in New Orleans so that's what made us go to New Orleans looking for inventory.

In that case, yeah, we really did have a buyer that had money burning their pocket ready to go into specific market but no, I typically just look for the wholesalers and let them know that we are about to have a pretty great list of cash buyers there. What it comes down to ... Again, we want to make life easier. I'm all about less work more money. In the end, if you spend time, valuable time and energy in hedge space building a pipeline of buyers just to come to find out that there's not a wholesaler there that wants to work with you, it's bit of a bummer.

**Joe:** Yeah. Okay. Now, you talked about an operating manager. I'd like to ask you, Justin, about operating managers. I know you use virtual assistants. The operating manager what do they do? What's their role?

**Justin:** An operations manager to me is in essence pretty much a business partner. I give my guy 25% of my business. Everything that comes in he's getting 25%. He's completely commission-based. People can do whatever they want. I mean they can pay a salary or whatever but operations manager is responsible for the structure of the pipeline building.

I identify the markets. I tell him where we want to go. He starts the pipeline building. The mundane stuff, like posting, one of our things that we do is those two Craigslist ads that we just talked about. We have to post at least six of those a week. I don't make my operations manager spend time doing that. His time is more valuable talking to the leads that do come in. We outsource those mundane marketing tasks to assistants.



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I was lucky enough to find one girl on fiverr.com who's worked out really, really well for us so we keep her really busy. No, I will not provide the name because then she won't be doing any business for me.

**Joe:** Does she post Craigslist ads for you in different markets?

**Justin:** Oh, yeah. She post Craigslist ads. She does pretty much whatever we want. She's just a stay-at-home mom.

**Joe:** Nice.

**Justin:** Which brings me to a quick idea. There is a new company I've heard about that's all stay-at-home moms that want to be virtual assistants.

**Joe:** Yeah. It's called Hire My Mum, I think, isn't it?

**Justin:** Okay. I think that sounds right. Yeah.

**Joe:** I'm looking it up right now. Hiremymum.com. Yes.

**Justin:** From my experience, if you're going to ask my experience, they're awesome. I mean you wouldn't want to send a lot of calls to them because they're going to have babies and kids crying in the background so it's not very professional look but for all the regular stuff, they work very well. On Fiverr, I got this girl, she charges me just five bucks an hour.

**Joe:** Wow. She's in the US?

**Justin:** Yes, she is. She's in Tennessee.

**Joe:** Now, do you ever hire VAs from the Philippines?

**Justin:** I've tried all that. I've worked with one, two, three employee before but I've had better luck to just keep it domestic.

**Joe:** Okay. Right on.



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- Justin:** I find other people that do really well. I mean they love the Philippines because they speak good English and ... Do you do that?
- Joe:** Half and half. I'm half and half guy. I have half of my VAs in the Philippines and I have four local assistants here in St. Louis.
- Justin:** Awesome, awesome.
- Joe:** It's made a big difference. My assistants here in St. Louis are more productive. Not that my Filipinos are not productive, but it's just different and it's not their fault.
- Justin:** It is. Right.
- Joe:** It's not their fault. It's just it's easier for me to manage somebody that's local in an office that's close to me.
- Justin:** Bingo, bingo. That's why I like to have my operations manager in our office here because I like to be able to come in when I feel like it or I'll schedule whenever I want to come in and brainstorm together and work together congruently, so I just keep everybody on path. For me, I found that to be just the best. For me, the best one-two punch, like magic... We're running almost 16 now we're at 14 markets. It's been easy which is one operations manager is responsible.
- Joe:** You're in 14 markets?
- Justin:** Yeah, 14. Now, it's not like they're all running at the same time, right?
- Joe:** Okay.
- Justin:** I have pipelines established in 14 markets.
- Joe:** Nice.
- Justin:** I was in 16.
- Joe:** How do you know when a wholesaler gets a deal? Does he tell you? Do you have to bug him to find out?



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- Justin:** Yeah. When we introduce our self and they say, "Absolutely, Justin, we'd love to work with you guys," if it's Tennessee, we'll obviously will get on their buyer's list, right? We try to ...
- Joe:** Okay.
- Justin:** Once we build a good relationship with them, the ultimate place to be is they text us before they send out that property, right? Because if it's a hot deal, we want a chance to show it to our buyers before he sends it to him. That doesn't always happen, right? Sometimes it does because we've brought him full price or we've hooked up buyers where they had a really tough time. I mean sellers where they've had a really tough time unloading a property and we brought a buyer to buy the piece of junk. We help that way. I pretty much just forgot what the question was.
- Alex:** Well, pretty much it seems like the success to the whole system is finding the hidden buyers, the ones that nobody else is seeing, the ones that are not on buyer's list of everybody and their mom . Yeah, it's ...
- Justin:** Yeah. When we talk to the wholesalers the last question we ask is, "Great ..." I mean I'm sorry. When we talk to all our buyers, the last question we ask is awesome. "Let me ask you. Are there any other wholesalers that you're already working with in the market in the area?" Then they tell us and we don't send them those properties. Makes sense?
- Joe:** Yeah. Okay.
- Justin:** That's how we don't look like a dingdong by sending them properties that they've already seen if they're already on other ...
- Joe:** You're saving yourself a lot of ... You're not looking like dingdongs either when you aren't marking up the properties.
- Justin:** No. Never, ever, ever, ever, ever.
- Joe:** Your operations manager, we were talking about that. Is he the guy that calls the other wholesalers who calls the cash buyers? Is he the one on the phones?
- Justin:** Absolutely, absolutely.



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- Joe:** Two questions. How do you find them and how do you train them?
- Justin:** For an operations manager, the guy that I've had for a while I honestly lucked-out with. He was a friend of a friend. He's a 24-year-old. He's traveled around the world his entire life because his family works for the US government so he's been gone from embassy to embassy.
- He is just a really personable person, really great on the phone. That's all I cared about. He's very organized, takes great instructions, positive attitude and really, really good on the phone. I mean he could get on the phone with a guy that just scream at him and he could handle it cool as a cucumber, so I love that.
- I suggest that everybody look for somebody of the same sort. Real estate experience, don't need it. They just need to be good people. We just post these ads. Before him I had posted ads in local papers, operations manager task. We just say like, "40,000 to 60,000 per year compensation package" and then you can give them a base salary or not, but we let them know right there on the bottom of our ads that their salary is going to be directly related to their performance. It's a sales position, commission-based sales position.
- Joe:** Okay.
- Justin:** It's really good to just really prescreen the heck out of people. We put a couple of little prescreens in the ads to sort of test them things like follow-up, send us our resume and call us within 24 hours. If they call in 48 hours or 42 hours then that tells us they couldn't follow a simple instruction, stuff like that.
- Joe:** How do you find somebody that is good on the phone? Was that before you hire them? I mean what kind of tests do you give them for that?
- Justin:** We put them through the ringer just ... We don't put them in there. We give them a couple of good tests. We talk to them on the phone. I ask a couple of questions like "Do you have any sales experience? How are you?" I only ask a couple of questions just so that I can listen to their answers and pretty much to their integrity, the way they represent themselves. If it's somebody that's positive and I can tell they're being truthful then that's somebody that I then bring in and actually do a one-on-one interview with.
- Joe:** Okay.



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**Justin:** Before I do the one-on-one interview I actually have ... Now, that I have my training course, I actually give them a training course but I used to put some stuff together, make them look at that and then when they would come in for the interview, I'd ask them a couple of questions that I know they wouldn't know the answer to.

If they just made up an answer and I know it was *BS*, I just let them go out the door. If they said to me something like this, "You know what, Justin? I don't know, but I could find out" then that's exactly all I want from a person that's going to be talking to my cash buyers because I don't want somebody to run around in circles when they're talking to my buyers.

I want somebody that's going to be, "You know what? I don't know the answer for that but let me ask my boss and I'll get right back to you." I know exactly where to go for that answer. That's the kind of people that I'm looking for. Just good people. I don't look for any experience of any real estate stuff or whatsoever.

**Joe:** Okay. I went through your course and by the way, I did buy it.

**Justin:** Well, thank you.

**Joe:** I want to put my money where my mouth is because it's really good. I'm going to recommend it to everybody. We're going to give you a link here to get it.

**Justin:** Awesome. Thank you.

**Joe:** It's really affordable and it's good, really good. You talked a lot about the book "How to Win Friends and Influence People" at the beginning of the course there. Why is that book so important to you?

**Justin:** Look what's going on here. We're not really real estate investors. We're building relationships. If people don't like you, if a wholesaler doesn't like you or doesn't want to spend time even 10 seconds talking to you on the phone, it's going to be really hard to do the business. You just have to build trust in people and let people know you can build value.

There's only one way to do that and that's to be personable. To me, I agree with you a hundred and ten percent that this is a marketing business like you said in the beginning. To add to that, I would say that it's also, for us, for what I do, it's a relationship business.



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**Joe:** Yeah. You can be a good marketer, but if you're horrible at building relationships and you're a jerk, it's not going to do you any good.

**Justin:** Yeah. If you're a jerk, and you got a buyer who's just confident in his capabilities, he doesn't want to work with you. If you're a jerk and you got a wholesaler who knows he gets good properties and he's not worried about unloading them, he's going to want to work with you.

How to Win Friends and Influence People, the principle is in there because I ... This is why I believe even if you read that book and walk away with one of the principles in there, you're going to do good. Just one. Just walk away with one and use that one for the rest of your life.

**Joe:** That's good. It's been a long time since I read that. Maybe I should pick it up again.

**Justin:** Ah man, it's killer.

**Joe:** Cool. Well, Justin, you've given us some really good stuff and I'm questioned out. Alex, do you have any more questions for Justin?

**Alex:** No. The whole purpose of what he was talking about, the people business that we're in and the marketing business like we've talked about in the wholesaling and assigning contracts, business and putting people together, and again, avoiding the whole brokering type of language, basically what we're doing is just putting ... When we get a property under contract, if we assign that contract, we're not assigning paper. What we're doing is ... I mean we're not assigning a property. We're essentially assigning paper. We're moving paper around and the paper is where the value is.

Same thing with what you're doing there and I'm sure on your marketing agreement that's what you're doing you're moving some paper around and that's what we're marketing, so it's not actually property but it's the paper, it's things that control those properties.

**Justin:** Absolutely.

**Alex:** By working with people in sales and relationships and all that stuff, that's going to make you that much better.

**Joe:** Yeah.



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**Justin:** Absolutely.

**Joe:** I love virtual wholesaling. It's funny. When we were in Europe, while I was talking to people in Europe about virtual wholesaling and that word doesn't work very well out there because they think of virtual as like a virtual reality like a ...

**Justin:** Yeah. With goggles on like the big goggles and you start typing.

**Joe:** Yeah. When you tell them virtual wholesaling, they're like, "What? You're wearing these goggles while you're wholesaling?"

**Justin:** Inside a simulator.

**Joe:** Yeah. Actually, when we were there, I called it remote property flipping. I actually got that domain remote property flipping and one of these days I'm going to update it. I did put some stuff on there but ...

You have a really good course, Justin. I think we have a link we can give people now. You can go to our show notes, [realestateinvestingmastery.com](http://realestateinvestingmastery.com) and there's a link there. I want to throw in a little bonus, too. If anybody goes out and buys Justin's course, and it's really affordable, I'll give you a free copy of my book and video series that I did about a year or two ago called Flipping Properties While on Vacation.

I think you can get it on Kindle right now, but I'll give you a free pdf and give you the videos that that book came from. It's called Flipping Properties While on Vacation. We cover a lot of the similar topics but I love this idea of what you're doing Justin. You're in a dozen different markets. You're just keeping it simple. It's not complicated. You've simplified it. You only have one really one person working for you.

**Justin:** Yeah.

**Joe:** Yeah. You're able to surf. You're able to hang out with your family. You're able to coach and help other people do the same thing. Good for you, man. Congratulations.

**Justin:** I appreciate it, man. Keeping it simple is exactly what helps makes this concoction cocktail. I listen to other guys like you, too. I mean I've done just as much learning and educating as



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anybody. I think everybody should do that because it helps build some sort of resistance in you. It helps the mojo, juices flow. No matter where you are, brand new, newbie, never done a deal, done a hundred deals, you can always get this ... Something builds when you continue to educate yourself. I don't know what it is but ...

**Joe:** Right. You know what else, too? Some of you may be overwhelmed thinking, "Oh man, I have to have an operations manager to do this." No, I mean when you get started out you just did it yourself. Right, Justin?

**Justin:** Yeah. Absolutely. Absolutely. I just realized that. I will say that I did build this model with the intent to get somebody in place to build these pipelines because my motivation to come up with this was for being a burnt –out, fix and flip guy. I always tell the story like one day I was just like in mid-summer a couple of years ago. I'm driving around in my just badass Nissan Titan, the best you can get completely pimped-out with the rims and the whole thing and I'm thinking to myself, "This sucks."

**Joe:** Right.

**Justin:** I wasn't feeling anything because me personally I love to travel. There's waves. Look, I got to be in warm water in paradise somewhere. If I'm not doing that, I'm driving around in a nice truck and a bunch of money in the bank. I mean that doesn't mean anything to me. I was like, "I need a better lifestyle."

For me personally some people have gotten to a point where they're able to outsource a fix and flip company where they can continue to do a lot of deals every month. I don't know many of those people but for me it wasn't working like that. It involved too much, way too much. Too much babysitting. I wasn't able to really set that system up so for me ...

**Joe:** Yeah. There are so many moving parts.

**Justin:** So many. I mean it's just...gosh dude, you can't even name them. You'd be here for an hour. Everything from city problems to contractor problems and all of a sudden a title pops up from the buy side and the sell side and issue happens. You have to be there in my opinion.

**Joe:** I say this all the time, too, because you may make 30, 40 grand on a rehab which is awesome, nothing to sneeze at.



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- Justin:** Oh, yeah.
- Joe:** During that same time, you could have done three or four wholesale deals with a lot less headache, a lot less stress, a lot less liability.
- Justin:** Bingo.
- Joe:** That's why I love wholesaling so much.
- Justin:** That's awesome.
- Joe:** Unless you're weird and crazy like Alex, you're building a bunch of homes and rehabbing homes and building your own home and all that stuff.
- Alex:** And wholesaling.
- Justin:** I'll tell you what. Some people love that stuff. Alex, you probably love watching the redevelopment of a project, right?
- Alex:** Yeah. Yeah. It's pretty cool. I mean what I like though is being able to set up the systems to where I can just take a property or a project and throw it into the system and let the system do its thing and my goal is just to find opportunities. Whether it's a wholesale or rehab or a development or a new construction project.
- Justin:** Awesome, awesome.
- Alex:** I have the right people in place that can do that.
- Justin:** Cool. That's cool. That's cool you set that up really to do that.
- Joe:** You know I'll just say one more thing here. I was having lunch with one of my wholesaling guys, my boots on the ground guys here in St. Louis. Great guy. His name is Jeremy. We're just talking about, "Okay. How can we refine our marketing? How can we be more?" We were talking about quality versus quantity. The way I'm doing my deals now is a little different.



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I'm partnering with other wholesalers in different markets but I'm doing the marketing for the sellers. I'm doing the marketing for the sellers. We prescreen the leads and then the wholesaler who's on the ground, if we get a good lead, we'll go meet with the seller, get it on the contract and sell it and we split the profits and I get reimbursed half of the marketing cost. That's working really well. That's how I wholesale most of the deals while we were gone.

**Justin:** Wow.

**Joe:** It is more risky because I'm putting out a lot of money to do the marketing, right?

**Justin:** Yeah.

**Joe:** The cool thing about it is I'm literally not doing any of the work. I have my VAs and local assistants doing the marketing, setting it out and I have a VA that's prescreening the leads sometimes. Sometimes the wholesaler on the ground just takes all the leads. Then my wholesaler on the ground will take the lead, meet with the seller, sit across the kitchen table, build rapport for a couple of hours which I can't stand doing, but there's guys that are good at that, that love doing that, right?

**Justin:** Yeah.

**Joe:** They'll build the relationship and the rapport with the seller, get the property under contract and they already have the buyer's list, they already have the cash that they need to close on the deal and we split the profits. It's pretty good.

We were talking yesterday about trying to do more co-wholesaling deals because it's all about networking - right? - and who you know. We were talking about how many people we know right now who have deals and people who have deals and are looking for buyers. There's a ton of realtors out there, too.

If you've been listening to this, one of the things you might think about doing, and I know a guy who does this today still. He's got a huge buyers list of wholesalers, investors, realtors and everybody in his market. Once a week, once every couple of weeks, he goes to that entire list whenever he's hungry and he needs some money. This is what he does, right? He goes to the entire list and asks everybody on that list. He calls them up. "Hey, do you have any deals you're trying to sell or are you looking to buy any deals?" He just talks to them.



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When he finds a guy that says, "Yeah, you know I got this deal I'm trying to sell," "Okay, great." Ten more people down the list, he finds somebody that is looking for a property. In fact, it happens to be the same property that this other guy said he was trying to sell. That's what he does. That's all he does. He just goes through this whole list. He calls everybody. "Do you have a deal you're trying to sell or are you looking to buy a deal?" He puts them together. He's a matchmaker.

**Justin:** Man, anybody that's listening right now, you got to understand that it can't be that easy.

**Joe:** Yeah.

**Justin:** For people who don't believe that, right?

**Joe:** Right.

**Justin:** It really can be that easy.

**Joe:** It is. You just got to have the pair to be willing to do that.

**Justin:** Yeah. I always you know...

**Alex:** The pair of poodles?

**Joe:** Yes. The pair of poodles.

**Justin:** Yeah. You have to have a pair of poodles in your purse. Oh, I'm sorry. *Murse*. You got a *murse*?

**Joe:** No, I don't. Alex does.

**Justin:** All right. Alex does. Oh, man. It's crazy.

**Joe:** Right, right.

**Justin:** Yeah. I think, man, it's all the mindset. I mean I always tell people now when it comes down to if you do exactly or you at least do what we do, you're going to get results, right? To the degree



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you get results it's going to completely depend on how and what or how far you take these actionable steps that everybody talks about.

Before all that, you got to believe that you can do it. I don't know how many times I heard that, heard that, heard that when I was trying to get into real estate and you hear it, you hear it but until you get that to your core, that one mechanism - right? - whether you believe that you can do it or not changes, you're not going to do it so you have to believe it.

To me, it's the same thing as willing it, forcing it, right? Because if you're forcing it, you're believing you can make something happen. I've listen to a lot of Sean Terry stuff and he's an awesome guy. One time he said like bonehead thick headedness. Heck, that's what it takes, right? Just go put your head against the wall and just charge it.

**Joe:** Right. Yeah. You're absolutely right. Alex, you're just talking to him a little bit ago, weren't you?

**Alex:** Yeah. We were brainstorming some big things coming up for fairoffer.com which is part of 1800fairoffer.com

**Joe:** Nice.

**Justin:** Very cool.

**Alex:** Yeah.

**Justin:** Very cool.

**Joe:** We'll have to hear more about that real soon here. All right, guys go to realestateinvestingmastery.com. We'll have a link in the show notes there on how you can get more information about Justin. Justin, do you have a website you want to give to anybody right now?

**Justin:** Sure. You can go to 10hourwholesaler.com/presentation.

**Joe:** Ten ...

**Justin:** That's just 10, yeah, 10hourwholesaler.com.



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**Joe:** Very good. The number 10, one zero, hour H-O-U-R wholesaler, W-H-O-L-E-S-A-L-E-R, .com/presentation. If you invest in Justin's course, I'm telling you they're cheap. You send us an email. Just go to, on our website, go to the contact page and shoot my support staff an email. Put in the email, "Hey, Joe said we could have a copy of his book Flipping Houses While On Vacation" and we'll send you a pdf of that. It will tie in really well to what Justin's been saying.

Cool, man. Thanks again, Justin.

**Justin:** Thank you, Joe. Man, I really appreciate it.

**Joe:** Good. Thank you, Alex.

**Alex:** Thanks Justin being on the call. Thanks, Joe.

**Justin:** Thank you. Thank you, Alex. Man, I appreciate you guys and also appreciate being the supporters of the product. That's really cool.

**Joe:** Okay, man. Talk to you guys later. Bye-bye.